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ESCAP Regional Energy Development Programme (REDP)
Regional Network for Small Hydropower (RN-SHP)

Technical Advisory Group (TAG)
First Meeting

Hangzhou, China, 11 - 13 December 1984

FUTURE FUNDING OF REGIONAL NETWORK FOR SMALL HYDROPOWER ACTIVITIES*

Agenda item 6

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1. Present Situation

After a period of uncertainty at the beginning of 1984, and following considerable correspondence and consultation among HRC and UN organizations, funds have been secured for the 1984-1986 Work Programme as follows:

REDP Phase II	US $100,000
UNDP allocation	US $200,000

plus inputs from the Chinese Government, focal points and backstopping by UNIDO.

These funds are limited, and do not fully cover the proposals put forward by the RN-SHP Interim Co-ordinator (see separate report). Thus, there will have to be some re-allocation of funds and/or fresh approaches to donor organizations to meet the anticipated shortfall.

2. Present difficulties

Apart from the shortage of funds in quantitative terms, there is also a problem in the qualitative nature of the present sources of funds. By this is meant:

a) the lack of secure sources of income to provide continuity and avoid the peaks and troughs in activity that have occurred in the past. In other words, we need to have enough sources to form a "regulating reservoir".

b) our funding has mainly come from a single source in the past, i.e. the UN system. While this has been relatively generous, and appreciated by RN-SHP Focal Points, it is only prudent to throw our net wider. In this way, the level of funding will not only be maintained but can be expanded. This is in line with the REDP philosophy that Phase II funds should have a catalytic role in attracting funds from other sources.

It is evident that within the RN-SHP, we have a lot of "installed capacity", not just at HRC but at other SHP Focal Points too. Thus, if

we are to have a reasonable load factor for member focal points, especially those hosting or managing decentralized activities, then we must increase our dependable inflow of funding.

3. Proposals for the future

The TAG participants may wish to consider how to tackle the problem areas cited above in the context of resources available in the participant's own country, and existing contacts with donor agencies.

HRC has had several informal contacts in the past year or so with interested organizations, see Table 1, but it is too early in most cases to say if these will bear fruit. It seems they require follow-up action through visits and firm project proposals.

One concrete example of where REDP money has been successfully used as "seed money" to attract other funds is the Electronic Load Controller (ELC) co-operative research project. The co-sponsor in this case is ITDG of the UK, who have agreed to provide one or two consultancy visits plus 2 sets of ELC kits for local assembly in China. The background to this project goes back to the Nairobi conference (September 1981) when the director of HRC had informal discussions with representatives from ITDG. This led to field testing of ELCs in China in co-operation with ITDG in September 1982. Since the ELC's performance was promising, it was decided that further R+D work should be done as a co-operative research project in the 1984-86 RN-SHP Work Programme. A project proposal was drafted in November 1984 and sent to selected focal points for discussion. It is hoped to have a project group meeting in early 1985.

Table 1 Sources of funding being pursued by HRC on behalf of the RN-SHP

No.	Potential Donor Organization	Contact person	Initial Contact Date	Form of co-operation	Present Status
1	ITDG, UK	Mr.D.Wright, General Manager	early 1984	funding of consultants and core parts of electronic load controller	Project proposal sent out; project meeting planned for early 1985
2	ESCAP	Dr.L.Fan, Chief Natural Resources Division	May 1984	funding of selected RN-SHP activities	Modified Project proposal accepted; ESCAP currently seeking donor agencies
3	C N R (National Research Council) Italy	Prof. E.Raiteri, Univ. of Genoa	Oct. 1983	co-operation in joint research activities and surveys	at discussion stage; concrete proposals to be prepared
4	NRECA, USA	Mr.Clark Ms.E.Graham	May, Nov. 1984	co-operation in training and information	at discussion stage

No.	Potential Donor Organization	Contact person	Initial Contact Date	Form of co-operation	Present Status
5	IDRC, Canada	Mr.H.Krugman	July 1984	not yet defined	initial contacts and discussion through correspondence; personal visit planned by IDRC
6	ILO	Mr.E.Fry, Training Adviser, Inst of Engineering, Nepal	Sept. 1984	Training for Nepali SHP trainers	formal programme being drafted
7	Leyland, Watson and Noble (engineers consulting), New Zealand	B.Leyland, Partner	Sept. 1984	co-operation in producing SHP design manual	under discussion
8	NORAD	Dr.Aamodt, VHL, Norway	Sept. 1984	not yet specified	awaiting response

As regards the other items in Table 1, they are at various degrees of discussion. Two points are worth noting:

a) it is important to maintain informal contacts, through visits and with a wide spread of organizations and individuals in order to gain "market information" on donor agency interests;
b) it is necessary to prepare concrete proposals if any progress in obtaining funds is to be achieved.

There are obviously a lot of agencies both within and outside the UN system that remain untapped. The TAG meeting may wish to consider which agencies should be contacted, and with what projects i.e. draw up a priority list of donor agencies and project proposals, bearing in mind the catalytic role of funds already allocated to RN-SHP activities.